

U.S. Department of Justice

United States Attorney

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NEWS RELEASE

**FOR IMMEDIATE RELEASE
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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Howard M. Hada, age 61, of Cerritos, California, pleaded guilty before Judge Leonie M. Brinkema, to one count of knowingly engaging in misleading conduct toward another person with intent to prevent or hinder the communication of information to a law enforcement officer relating to a federal crime. Hada faces a maximum penalty of ten years imprisonment and a \$250,000 fine. Sentencing is set for October 24, 2003.

TRW, through its Space and Electronics Division in Redondo Beach, California, performed contracts for the National Reconnaissance Office in Chantilly, Virginia. In October 2000, in the Eastern District of Virginia, the Federal Bureau of Investigation opened an investigation which focused on the possibility that general contractors were violating the Anti-Kickback Statute by paying kickbacks or gratuities to TRW building managers as a reward for receiving TRW jobs, and that the cost of these kickbacks or gratuities was being passed on to the National Reconnaissance Office in Chantilly, Virginia.

Defendant Howard M. Hada was a TRW building manager at Redondo Beach who had discretion to hire Bob Parrett Construction Company ("Parrett Construction") as a general contractor.

In February 2002, Hada was notified that the Eastern District of Virginia was investigating his conduct and that of other TRW building managers who had hired Parrett Construction. In March 2002, a California based FBI agent interviewed Hada and asked him about various all-day or overnight fishing trips that an official of Parrett Construction had arranged for Hada. Hada admitted going on the trips and provided cancelled checks payable to the Parrett Construction official purporting to show he had paid for the trips in question. While insisting that he had paid for the trips, Hada, however, failed to tell the FBI agent that, in order to conceal the receipt of the gratuity, he had received an equivalent amount of cash from the Parrett Construction official each time he delivered a check to him. Hada received approximately \$42,000 in travel and entertainment expenses from Parrett Construction.

The investigation was conducted by special agents of the FBI, Defense Criminal Investigative Service, and the Office of the Inspector General of the National Reconnaissance Office. The prosecution of the case is being handled by Assistant United States Attorney Stephen Learned.